FACTS ON FILE
WORLD NEWS DIGEST WITH INDEX

Reg. U.S. Pat. Off. Published Weekly in 2 Sections—Section I
Vol. XV, No. 742 January 13-19, 1955

PROPERTY OF THE LIBRARY OF THE
JAN 24 1955
WOMAN'S COLLEGE
UNIVERSITY OF NORTH CAROLINA

## WORLD AFFAIRS

**FAR EAST**

### *Hammarskjold Optimistic*

#### Reports on Peiping Trip

UN Secy. Gen. Dag Hammarskjöld returned to New York by air Jan. 13 after formal talks in Peiping on the fate of the 11 U.S. Korean War fliers imprisoned by Red China as spies. Hammarskjöld did not obtain a Communist agreement to release the Americans, but he expressed optimism over the results of his trip.

Upon arrival in New York Jan. 13, the Secy. General described his Peiping visit for newsmen as "a first stage" in efforts to secure the release of the 11 fliers & other UN Command personnel still detained. "I feel that my talks with Mr. Chou En-lai [Red Chinese Premier & Forgn. Min.] were definitely useful for this purpose," he said. "We hope to be able to continue our contact. The door that has been opened can be kept open, given restraint on both sides."

#### U. S. Leaders Await Results

Hammarskjöld's first appointment Jan. 13 was with U.S. Amb.-to-UN Henry Cabot Lodge Jr. Following their private conference, Lodge issued a statement expressing confidence that "progress has been made and that our fliers will be free." He said "there is, naturally, disappointment" that the men were not immediately released.

(Lodge discussed Hammarskjöld's personal report with State Secy. John Foster Dulles Jan. 14 in Omaha, where Dulles & Lodge were given a secret briefing on AF developments by Gen. Curtis E. LeMay, Director of the Strategic Air Command. Dulles described the briefing as "routine" & without "relation whatsoever to any current developments.")

In a statement Jan. 14, Pres. Eisenhower also expressed "disappointment" at the continued imprisonment of the 11 fliers. But he urged the U.S. people not to "fall into a Communist trap" by calling for "reprisal or retaliation."

Wide World

**Invasion of Yikiangshan was regarded as Red China's first step toward attempted seizure of Tachen Islands (A). Pishan (B) was reported shelled by Reds Jan. 19.**

Hammarskjöld held a press conference at UN Hq. in New York Jan. 14 and emphasized that "no deals of any kind" in connection with the prisoners were made or suggested by either side during the Peiping talks. Speaking generally, Hammarskjöld said it would be "useful" if Red China were a member of the UN. He also linked prospects of the fliers' release with a lessening of tension between Red China & the U.S.

#### Lodge, Dulles Vs. Knowland

Lodge said Jan. 15 he was still "confident" that the fliers would be released. An air of optimism prevailed at UN Hq. as Hammarskjöld continued to brief various delegation heads on his mission. But U. S. Senate Minority Leader William F. Knowland (R., Calif.) said Jan. 17 that Hammarskjöld's trip "was a failure by any fair standard that Americans can use." Knowland, who had advocated a blockade of Red China to force release of the fliers, told the Newspaper Advertising Executives Assn. convention in Chicago that Congress would carefully scrutinize any attempt to appease Communist China.

Dulles said Jan. 18 it was too early to pass final judgment on the UN mission. He asserted that the U.S. would have to deal with the matter itself if the UN failed to obtain freedom for the fliers. He fixed no exact time-limit for concluding that the UN had failed. Hammarskjöld went to Washington Jan. 19 at Dulles' request to give the State Secretary an account of the Peiping talks. [See p. 9A1-C2]

### *Reds Invade Island*

Chinese Communist troops borne on 100 motorized junks captured the 3-sq.-mi. Nationalist island of Yikiang (Yikiangshan) 8 mi. from the Tachen Islands Jan. 18 (see map). The invaders were supported by naval & artillery fire from neighboring Red-held islands & a bombing assault from 60 warplanes. Nationalist reports said remnants of a guerrilla force of 2,000 men on the island continued to offer strong resistance through Jan. 19.

More than 200 Red planes bombed the Tachens Jan. 19 in the largest assault of the coastal war. The Communists also landed reinforcements same day on Yikiang and shelled nearby Pishan Island heavily. The Nationalist AF struck back by bombing Red shipping along a 300-mi. coastal stretch.

The 2 Tachens (Upper & Lower), Yikiang & Pishan are part of an island group close to the Chekiang Province coast about 210 mi. north of Formosa. A regular Nationalist Army division (10,000 men) was dug in on Upper Tachen, while about ⅔ of the Tachens' 15,000 civilians were concentrated on the lower island. Pres. Eisenhower said Jan. 19 there were 4 or 5 Americans on one of the Tachens.

### Week in Headlines

**International**

*Hammarskjold returned from Red China, expressed hope for success of UN bid for release of U.S. fliers.*

*Chinese Reds invaded Yikiang Island near Tachens.*

*Russia offered to give data on atomic energy power plant to UN "atoms for peace" conference.*

*U.S. sent planes to Costa Rica with OAS approval to combat rebels.*

*Murdered Panamanian Pres. Remón's successor ousted as possible member of assassination plot.*

**United States**

*President submitted $62.408 billion budget (for fiscal 1956) with $2.408 billion deficit.*

*Extension of draft, adoption of military reserve plan, military pay-benefits increase asked in Presidential messages to Congress.*

*Defense Secy. cleared, reinstated Mrs. Annie Lee Moss.*

*Judge Youngdahl dismissed for 2d time a key perjury indictment of Lattimore.*

*Submarine* Nautilus *sailed first time under atomic power.*

ADVISORY BOARD

**Letters:** Prof. A. J. BARNOUW, Columbia
**Medical Science:** Dr. EDWARD C. BRENNER
**Political Science:** Prof. FRANCIS W. COKER, Yale
**Economics:** Prof. J. ANTON DE HAAS, Claremont
**Science:** DAVID DIETZ, Scripps-Howard Newspapers
**Education:** Dr. HARRY D. GIDEONSE, Pres. B'klyn Coll.
**History:** JOHN GUNTHER
**News Analysis:** H. V. KALTENBORN
**World Affairs:** WILLIAM L. SHIRER
**Law:** Dr. FRANK HENRY SOMMERS, formerly N.Y.U.
**Latin America:** Prof. FRANK TANNENBAUM, Columbia
**Library Service:** Dr. C. C. WILLIAMSON, Columbia

REFERENCES in brackets give location of background information in this & preceding volumes of FACTS ON FILE with Cumulative Index.

Neither Yikiang nor the Tachens was essential to the defense of Formosa & the Pescadores, according to press conference statements by State Secy. Dulles (Jan. 18) & Pres. Eisenhower (Jan. 19). Dulles indicated that the U.S. 7th Fleet, which was operating in Formosa Strait, would not become involved in the Tachen-area fighting [see Vol. XIV, p. 398F1, F2]. The President said he did not even know whether the Nationalists planned a strong defense of the Tachens.

The Nationalist Defense Ministry reported that Nationalist bombers attacked the Chinese mainland Jan. 14 (at Haimen, on the Chekiang coast) for the first time since the signing of the U.S. mutual defense treaty.

#### 'Ike' Favors Chinese Truce

Pres. Eisenhower said at his news conference Jan. 19 that he would like to see the UN "exercise its good offices" to bring about a cease-fire in Formosa Strait. But he observed that both the Natl. & Red Chinese might insist that their warfare was an internal dispute not within the UN's jurisdiction. New Zealand & British representatives had been studying the question of placing the Formosa Strait issue before the UN Security Council.

(British Forgn. Secy. Sir Anthony Eden said in a broadcast speech Jan. 17 that his Govt.'s chief interest in the Far East was to reduce the risk of further fighting. This could be done, Eden said, if all nations, "including [Communist] China," were prepared to work for peace.) [See Vol. XIV, p. 405F3]

### *Nationalist Pact Reviewed*

Reports attributed to UN Hq. sources Jan. 16 said Secy. Gen. Hammarskjöld planned to send a message to Peiping clarifying the contents of the U.S.-Natl. China mutual defense treaty signed Dec. 2, 1954. (Washington dispatches Jan. 14 said Nationalist Forgn. Min. George K. C. Yeh had pledged [in a letter to the U.S. dated Dec. 10, 1954] that under the treaty his nation would not attack the Chinese mainland without U.S. approval.)

The Americans for Dem. Action Jan. 16 labeled the mutual defense treaty with Natl. China a potential "political boobytrap." The ADA argument: ratification of the treaty would recognize Formosa & the Pescadores as territories of China, "giving substance to the Communist claim . . . that invasion . . . would be merely an extension of the civil war rather than international aggression." 3 members of the Senate Forgn. Relations Com. (Sens. Hubert H. Humphrey, D., Minn.; William F. Knowland, R., Calif.; Mike Mansfield, D., Mont.), which was considering the pact, said Jan. 16 they would support it despite some reservations. The legislative Yuan in Taipeh ratified the treaty Jan. 14 by 306-0 (no abstentions). [See p. 10A-B1]

•

***Indo-China.*** Reports from Hanoi Jan. 12 said private tradesmen & manufacturers there faced ruin as the result of a tax on goods in stock levied Jan. 4 by the Communist North Viet Nam Govt. The tax: 50% for liquors, cigarettes & soap, 25% for canned goods, 20% for textiles. [See p. 10C1] . . . The Laotian Govt. charged Jan. 14 that Communist Laotian forces supported by regular Viet Minh troops had captured the small posts of Noh Khan & Houi Thao in northern Laos. An investigating team of the Intl. Armistice Comm. was sent to the area. [See Vol. XIV, p. 389C2] . . . The South Viet Nam Embassy in Washington charged Jan. 17 that North Viet Nam had equipped 4 to 6 infantry divisions in violation of the Geneva armistice agreement. [See p. 10C1] . . . The South Viet Nam Govt. Jan. 18 issued a new law (the first under its land reform program) establishing rent controls & providing for eventual taking over of the land by tenants. The reform decree, supported by the U.S. but opposed by large landowners, provided for written 5-yr. tenant leases with land rental set at 15%-25% of the value of the crop. (Existing rentals often ran 40%-70%). [See Vol. XIV, p. 355G2]

Lt. Col. Nguyen Van Hue, a leader of the dissident Hoa Hao religious sect (Buddhists) offered unconditionally Jan. 16 to bring 4 battalions (about 3,000 men) under his command into the South Viet Namese national army. Gen. Tran Van Saoi, commander of the Hoa Hao forces & a South Viet Nam State Secy. for Defense, ordered a court martial for Col. Hue Jan. 17. Hue ignored the summons, and returned to his troops to prepare them for the integration.

Pro-French Gen. Soai was brought into the South Viet Nam Govt. in late 1954 at the insistence of Chief of State Bao Dai, who considered nationalist Premier Ngo Dinh Diem too weak to cope with the private armies of the religious sects. Col. Hue's defection to the increasingly-popular Premier left Soai with about 3,000 Hoa Hao troops, which he reportedly ordered to join another 3,000 Hoa Hao forces whose leader was known as Bacut in fighting the national army. Bacut had disavowed the cease-fire agreement he signed with the South Viet Namese Govt. in Dec. 1954. Another Hoa Hao force of about 2,000 men under Gen. Lam Thanh Nguyen was also aligned against the South Viet Nam army. One Hoa Hao group of about 2,000 under Nguyen Gia Ngo always had been loyal to Diem. The Hoa Hao stronghold was the Long Xuyen area near Cambodia.

Gen. Trinh Minh, leader of another religious group, the Cao Dai (an amalgamation of Christianity, Buddhism & Confucianism), reportedly announced Jan. 10 the submission of himself & 5,000 men to national discipline. The Cao Dai center was Taynimh, northwest of Saigon. Bacut's troops had been fighting the Cao Dai as well as Govt. forces.

The Cao Dai & Hoa Hao each claimed to have 15,000 men under arms.

A 3d sect, the non-religious Binh Xuyen (with 4,000 armed men), was in control of the Saigan police. It bowed to Premier Diem the week of Jan. 10 by closing three Saigon gambling casinos it operated.

***Burma.*** Karen rebels were reported to have dynamited a train & killed 35 persons in a gun battle Jan. 15 near Thaton, 100 mi. east of Rangoon. [See Vol. XIV, p. 430F2] . . . A Yugoslav spokesman in Rangoon said Jan. 17 that Pres. Tito had offered to equip a Burmese Army brigade as a "gift," in return for which Burma would send rice to Yugoslavia. Tito left Rangoon Jan. 17 for South India after an 11-day state visit to Burma. [See Vol. XIV, p. 430B2]

## UNITED NATIONS

### *Group Plans Atom Conference*

A 7-nation UN Gen. Assembly Advisory Com. to make plans for an international scientific conference on peaceful uses of atomic energy held its first meeting with Secy. Gen. Dag Hammarskjöld at UN Hq. in New York Jan. 17. The committee selected Geneva as the site for the conference, which the Gen. Assembly had suggested be held "no later than August 1955." A tentative agenda for the conference was completed by the committee Jan. 19 but was not made public.

Members of the Advisory Com.: atomic physicist Isador I. Rabi, U.S.; Nobel Prize physicist Sir John Cockcroft, Britain; Dr. Bertrand Goldschmidt, France; Dr. Wilfred B. Lewis, Canada; Dr. Homi Bhabba, India; Jayme de Barros, Brazil; physicist Dmitri V. Skobeltsyn, Russia. [See Vol. XIV, p. 382G2]

#### Russia Offers Atom Data

In an announcement Jan. 14, Russia said Skobeltsyn would propose to the UN committee that the forthcoming atomic conference hear a Soviet report on the operation of an atom-driven industrial power plant. Moscow had reported such a plant (with a capacity of 5,000 kilowatts) in operation July 1, 1954.

Chrmn. Lewis Strauss of the U.S. Atomic Energy Comm. said in Washington Jan. 14 that the Soviet offer to share scientific & technical atomic industrial experience—if true—"goes part of the way" toward meeting Pres. Eisenhower's atoms-for-peace proposals. [See p. 10D2]

(The Soviet Govt. said Jan. 17 that it would provide technical assistance, as well as fissionable material, for peaceful atomic development in Communist China, East Germany, Poland, Rumania & Czechoslovakia. In return, the 5 Red allies would continue to supply atomic raw materials to Russia.)

•

**Intl. Bank** reported Jan. 4 that its largest 1954 loans were $61,000,000 to Mexico for railway construction & $54,000,000 to Australia for development of agriculture, transport & industry [see Vol. XIV, p. 376C-D1]. The bank revealed Jan. 7 that Iraq had canceled the unused balance ($6,500,000) of a $12,800,000 1950 loan for a flood control project. Iraq, where oil production had greatly increased since 1950, planned to complete the project with its own funds. [See Vol. X, p. 195B] . . . **UNESCO** Dir. Gen. Luther Evans said Jan. 5 he intended to retain one of 8 American staff employes challenged by the U.S. Govt. on loyalty grounds. Evans said he

FACTS ON FILE is published weekly by Facts on File, Inc., 516 Fifth Ave., New York 36, N. Y. (MUrray Hill 2-5523-4). Entered as 2d class matter June 24, 1941 at the Post Office in New York, N. Y., under the Act of March 3, 1879. Subscription $70 a year; Yearbooks (bound volumes) from 1942—$25 each. Cumulative Index published twice a month. Copyright 1955 by Facts on File, Inc. Edw. Van Westerborg, Pres.-Treas.; Fred McGhee, Secy.-Editor; Bernard Messinger, Business Manager.

was convinced of the reliability of the individual concerned. [See Vol. XIV, p. 415A1] . . . **Econ. Comm. for Asia & the Far East** trade subcommittee held a trade promotion conference in Hong Kong Jan. 6-11 with 100 delegates & observers from 25 countries & territories attending. A Soviet proposal to seat Red China was turned down Jan. 6. [See Vol. XIV, p. 376B1] . . . **Yemen** established a permanent mission to the UN with Kamel Abdul Rahim to have the rank of Ambassador, the UN announced Jan. 8. [See Vol. XIV, p. 278A1] . . . **Social Security** benefits in Western Europe in 1951 (latest year tabulated) were highest per capita in the Saar, where they reached the equivalent of $116, the Intl. Labor Org. reported Jan. 10. Luxembourg was 2d with $100, France 3d with $96. The U.S. figure in 1951 was $75. [See Vol. XI, p. 116D] . . . **France** became the 20th signatory to the UN Convention Relating to the Status of Stateless Persons Jan. 12. [See Vol. XIV, p. 375B3] . . . **Bolivia & Uruguay** failed to pay their full UN financial contributions in 1953-54, according to a UN financial statement released Jan. 12. Under the UN Charter this could mean loss of voting rights in the Gen. Assembly although the penalty never had been invoked. [See Vol. XIV, p. 422F3]

## GERMANY

### *Bonn, Paris Premiers Meet*

French Premier Pierre Mendès-France & West German Chancellor Konrad Adenauer announced after a meeting in Baden-Baden Jan. 14-15 they had made progress toward settlement of Franco-German questions. Their communiqué said they had agreed: (a) that a plebiscite in the Saar be supervised by an international commission and disputes over the Saar be settled within the Western European Union organization; (2) that arms production must not imperil economic & social conditions in WEU countries; (c) to double the present rate of French wheat exports to West Germany and negotiate a new 3-yr. trade agreement. They said they had discussed the new French plan for a WEU arms production pool but announced no agreement. [See p. 10F1]

Mendès-France also reported in Paris Jan. 15 that he had found, during his 10-day tour of Italy & West Germany, "an encouraging degree of agreement on positive action to be taken" to reduce East-West tension. [See p. 10C2-A3]

### *New Soviet Bid Rebuffed*

The Soviet Govt. issued a declaration Jan. 15 calling for Big 4 talks on German reunification & offering to "normalize relations" with West Germany if the Western pacts on West German rearmament were abandoned. The West German Govt. rejected the offer Jan. 16, upheld the WEU concept and expressed belief that Moscow would negotiate for a German settlement regardless of West Germany's rearming. [See p. 10B3]

# NATIONAL AFFAIRS

## EISENHOWER PROGRAM

### *The Budget*

Pres. Eisenhower submitted to Congress Jan. 17 a budget in which he recommended Govt. expenditures totaling $62.408 billion for fiscal 1956 (July 1, 1955-June 30, 1956). He estimated revenues at $60 billion, leaving a $2.408 billion deficit. The year's operations would raise the public debt to $276 billion.

The President asked for new authority to incur obligations totaling $58,642,043,754 in fiscal 1956. He said the increase of $1,334,237,962 over the estimate for 1955 was "primarily because of new requirements for our military services." The total was considerably below the figures for previous years.

New obligational authority requested for major national security programs in fiscal 1956 was $2.4 billion greater than in 1955 whereas a reduction was proposed in the total new authority for all other programs (taking into account recommendations for selective increases).

The revised estimate for fiscal 1955 listed expenditures of $63.504 billion, receipts of $59 billion, a $4.504 billion deficit and a $274.3 billion public debt by June 30.

Actual figures for fiscal 1954 showed expenditures of $67.772 billion, revenues of $64.655 billion, a $3.117 billion deficit and a $271.3 billion public debt. [See Vol. XIV, pp. 19F2-21F1 for digest of 1955 budget]

### *Deficit Reduced*

The 1956 budget was the 5th in succession with a deficit. (During the past 26 years the budget was balanced only in 1947, 1948 & 1951). But the President noted the sharp reduction in the deficit's size (little more than half that of fiscal 1955) and hailed this as continuation of "progress toward a balanced budget." The deficit was so small that it was believed the budget would have neither an inflationary nor a deflationary effect.

The prediction of a small deficit was based on: (a) plans to cut Govt. spending $1.096 billion below current expenditures; (b) a belief that economic conditions would improve to the point that normal taxes would bring in $1 billion more than in fiscal 1955 with no increase in tax rates.

A $558 million surplus was predicted for the fiscal 1956 "cash budget," which included social security taxes & other receipts not available for general expenses. Fiscal 1956 cash budget receipts were estimated at $68.793 billion, expenditures at $68.235 billion. Revised estimates for fiscal 1955 showed cash budget expenditures of $69.026 billion, receipts of $66.649 billion, a $2.377 billion deficit.

The cash budget, showing the actual extent of money transactions between the Govt. & the public, was believed to be a more important indication than the regular budget of the effects of Govt. activities on the economy.

#### Per Capita Debt Drops

The per capita share of the U.S. public debt was scheduled to decline —despite increases in the total debt —because population was growing faster than the nation's indebtedness. Per capita public debt amounted to $1,671.25 in mid-1954, when the debt totaled $271.3 billion & population 162,414,000. The predictions: mid-1955—$1,661.02 per capita, $274.3 billion total debt, 165,200,000 population; mid-1956—$1,642.86 per capita, $276 billion total debt, 168 million population.

#### Higher Debt Limit Urged

Pres. Eisenhower said he had "no alternative but to ask the Congress to again increase the [statutory] debt limit," which was scheduled to revert to $275 billion June 30 from the temporary level of $281 billion. He recognized the value of the limit "as an expression of firm intent to maintain fiscal soundness." But he considered it not "possible to pay the Govt.'s bills" in fiscal 1956 "without exceeding the $275 billion limit." [See Vol. XIV, p. 276F1]

### *National Security Requests*

Pres. Eisenhower budgeted $40.458 billion or 65% of all fiscal 1956 expenditures for major national security programs. The "philosophy" behind his national security proposals was that the programs should be planned & financed "on a long-term basis that would maintain essential military strength over an indefinite period" without impairing the U.S. economy's "basic soundness."

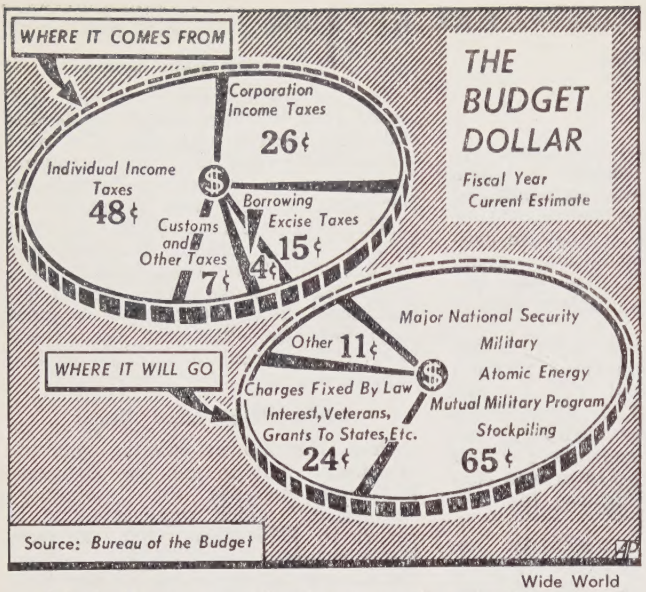
This section of the budget emphasized "development & maintenance of effective nuclear-air retaliatory power of the Air Force & naval aviation as the principal deterrent to military aggression. Such power is being supplemented by other military forces of great strength, flexibility & mobility and by the forces of our allies." [See p. 3D1]

The President's recommendations for expenditures & new obligational authority for major national security programs in fiscal 1956 (in millions):

| | Expenditures | New Authority |
|---|---|---|
| Direction & coordination | $12 | $13 |
| Other central activities | 588 | 627 |
| Army defense activities | 8,850 | 7,303 |
| Navy defense activities | 9,700 | 8,937 |
| AF defense activities | 15,600 | 14,536 |
| Proposed legislation | 1,000 | 2,983 |
| Unallocated cuts in estimates | —1,750 | ..... |
| Reduction by transfer of prior year appropriations | ..... | —1,500 |
| (Defense Dept. subtotals) | (34,000) | (32,899) |
| Atomic energy dvpt. & control | 2,000 | 1,292 |
| Strategic & critical materials | 783 | 522 |
| Mutual security (military): | | |
| Military aid— | | |
| Present program | 2,875 | ..... |
| Proposed legislation | 200 | 1,400 |
| Direct forces support— | | |
| Present program | 500 | ..... |
| Proposed legislation | 100 | 630 |
| (Mutual security subtotal) | (3,675) | (2,030) |
| **Totals** | **$40,458** | **$36,742** |

#### Fewer Men, More Air Power

The budget scheduled armed forces strength "to be reduced from the present level of approximately 3.2 mil-




Wide World

**Principal sources of Govt. revenue & apportionment of expenditures in fiscal 1956.**

lion to about 3 million by June 30, 1955 & to something over 2.8 million by June 30, 1956.* Average was to be about 2.9 million in fiscal 1956, compared with a 3.2 million average in fiscal 1955. AF strength, however, was to be increased.

The President said record peacetime expenditures—about ⅔ of the Defense Dept.'s total—would go for air power & related programs in fiscal 1956. Active AF, Navy & Marine planes "will increase from over 34,000 on June 30, 1954 to 36,000 on June 30, 1956 and will continue . . . toward the present objective of close to 40,000 aircraft," Mr. Eisenhower said. "In addition, the Army will maintain 3,600 active aircraft, with more than 20% increase during the next 2 years in the number of helicopters." Meantime the number of planes in combat units and the proportion of jets also would increase.

The President also reported that: The AF would continue "its build-up toward a goal of 137 wings and expects to have 130 wings . . . by June 30, 1956—119 of which will be combat wings." Navy carrier groups would be increased from 16 to 17, and a 5th *Forrestal*-class would be started in fiscal 1956. The Navy & Marine Corps would continue to maintain about 10,000 operating planes (current level). The Navy would operate approximately 10,000 active ships—including 400 warships. The Army apparently would "be organized into smaller but more mobile & self-contained units with greater fire power." The Marine Corps would maintain 3 combat-ready divisions & 3 air wings.

The President recommended $12.718 billion of expenditures & $9.524 billion of new obligational authority for major defense procurement & production in fiscal 1956. This included $7.55 billion of expenditures & $6.064 billion of authority for aircraft, $999 million of expenditures & $1.317 billion of authority for ships.

*Composition of the June 1956 armed forces (according to Pentagon sources): Army 1,027,000, AF 975,000, Navy 657,000, Marines 193,000. [See p. 3B1]

## Foreign Aid

The President recommended $1.025 billion in expenditures & $1½ billion in new obligational authority for nonmilitary (economic) foreign aid during fiscal 1956. $725 million of the expenditures were for current programs, the rest & all the new contract authority for programs under proposed legislation. This would raise the year's mutual security aid totals to $4.7 billion in expenditures, $3.53 billion in new authority. in expenditures, $3.53 billion in new authority.

The military aid would help U.S. allies "complete equipping & training the equivalent of more than 180 divisions, 551 combat vessels, 278 air squadrons & related supporting units," Mr. Eisenhower said. It would go only for "essential" forces and provide "only the critical margin of training & equipment which the countries cannot provide for themselves."

U.S. military aid during the past 5 years included "over 6,000 airplanes, almost 900 naval vessels . . . 36,000 tanks & combat vehicles . . . 200,000 transport vehicles, billions of rounds of ammunition," other items & specialized training courses.

The President proposed stepping up "our program for telling the truth to peoples of other nations" and increasing the State Dept.'s educational exchange program, "particularly with underdeveloped areas."

## Other Items

Also covered in the budget:

***Agriculture.*** Total (gross) price support expenditures for fiscal 1956 were budgted at $4.2 billion, down $1½ billion from 1955. Net 1956 outlay was estimated at $968 million in anticipation of $3.2 billion in receipts from commodity sales & loan collections.

***Housing & Slum Clearance.*** The President urged 2-yr. extension of the 35,000-unit-a-yr. low-cost public housing program [see p. 11D2]. He said about 22 slum clearance projects would be completed & 364 other slum clearance & urban renewal projects under way by June 30, 1956. Net federal expenditures on this would rise from $56 million in fiscal 1955 to $94 million in 1956, but local private & Govt. expenditures were expected to be 4-5 times as great as federal. The $500 million in contract authority for capital grants on such projects was to be exhausted before the end of fiscal 1955, and the President requested an additional $100 million for 1955 plus $200 million each for the 2 subsequent years.

***Refugees.*** "Approximately 17,000 visas have been granted" under terms of the 1953 Refugee Relief Act, which provided for admission of 214,000 people beyond immigration quotas before Dec. 31, 1956. "Sufficient progress has been made . . . to justify the expectation that the program can be completed" as the act provided.

***Resources.*** The President's "recommendations are intended to encourage states & local, public & private groups to take the initiative in developing our valuable water resources with federal cooperation where national interests are involved." The Reclamation Bureau & Army Engineers were to aid on this basis in development by local interests of the Cougar & Green Peter-White Bridge projects in Oregon, the Rock Reach & Priest Rapids projects in Washington and the Markham Ferry project in

## SUMMARY OF THE BUDGET

(Amounts in millions. Periods are fiscal years ending June 30, 1954, 1955 & 1956.)

| | 1954* | 1955† | 1955‡ | 1956§ | 1956¶ |
|---|---|---|---|---|---|
| **RECEIPTS—** | | | | | |
| Indiv. income taxes | $32,383 | $30,700 | $30,700 | $32,500 | $32,500 |
| Direct corp. taxes | 21,523 | 18,466 | 18,466 | 15,984 | 17,034 |
| Excise taxes | 10,014 | 8,883 | 9,093 | 8,328 | 9,350 |
| Employment taxes | 5,425 | 6,080 | 6,080 | 7,095 | 7,095 |
| Estate & gift taxes | 945 | 930 | 930 | 970 | 970 |
| Customs | 562 | 570 | 570 | 570 | 570 |
| Miscellaneous | 2,320 | 2,302 | 2,302 | 2,486 | 2,486 |
| **Subtotal** | **$73,173** | **$67,931** | **$68,121** | **$67,933** | **$70,005** |
| Deduct: | | | | | |
| Transfer to Fed. old-age & survivors' ins. fund | $4,537 | $5,190 | $5,190 | $6,175 | $6,175 |
| Transfer to R.R. retirement fund | 603 | 600 | 600 | 625 | 625 |
| Refunds | 3,377 | 3,331 | 3,331 | 3,396 | 3,205 |
| **Total budget receipts** | **$64,655** | **$58,810** | **$59,000** | **$57,737** | **$60,000** |
| **EXPENDITURES—** | | | | | |
| Major natl. security | $46,523 | $40,644 | $40,644 | $39,068 | $40,458 |
| Intl. affairs & finance | 2,166 | 1,798 | 1,800 | 1,504 | 1,841 |
| Veterans | 4,289 | 4,119 | 4,468 | 4,684 | 4,684 |
| Welfare, health & edctn. | 2,248 | 2,057 | 2,316 | 2,217 | 2,312 |
| Agri. & agri'l resources | 7,497 | 8,934 | 8,934 | 7,647 | 7,647 |
| Natural resources | 1,391 | 1,356 | 1,358 | 1,180 | 1,209 |
| Commerce & manpower | 7,355 | 7,608 | 7,800 | 7,037 | [a]6,908 |
| Gen. govt. | 1,212 | 1,201 | 1,225 | 1,350 | 1,569 |
| Interest | 6,470 | 6.558 | 6,558 | 6,378 | 6,378 |
| Reserves for proposed legislation & contingencies | ..... | ..... | 100 | ..... | [b]325 |
| **Total budget expenditures** | **$79,151** | **$74,276** | **$75,203** | **$71,067** | **$73,332** |
| Deduct applicable receipts[c] | $11,379 | $11,699 | $11,699 | $10,923 | $10,923 |
| **Net budget expenditures** | **$67,772** | **$65,577** | **$63,504** | **$60,144** | **$62,408** |
| **DEFICIT** | **$3,117** | ..... | **$4,504** | ..... | **$2,408** |

*Actual †Under existing laws & authorizations already enacted ‡Total under proposals for later transmission plus under existing laws & authorizations enacted §Under existing laws & authorizations enacted or recommended ¶Total under proposals for later transmission plus under existing laws & authorizations enacted or recommended [a]Including proposed $400 million postal rate increase [b]Including proposed $125 million classified pay increase [c]Receipts of public enterprise funds (some Govt. corporations, the postal service & other revolving funds) which come primarily from outside the Govt.

Oklahoma. The President asked authority for the Reclamation Bureau to undertake these 2 "comprehensive river-basin improvements which are beyond the capacity of local initiative . . . but which are needed": the Upper Colorado River Basin development in Colorado, Utah, Wyoming, Arizona & New Mexico; the Fryingpan-Arkansas development in Colorado.

The President said TVA was studying "the possibilities of financing further expansion of its power system by means other than federal appropriations." Legislation was planned for "an adequate rate of interest [to] be paid to the Treasury on appropriated funds invested in [TVA] power facilities."

***Veterans.*** The President was "appointing a Comm. on Veterans' Pensions to study the entire structure, scope & philosophy of our veterans' pension & compensation laws." $2.8 billion budgeted for compensation & pensions included $1.9 billion "to nearly 2,486,000 families & veterans for death or disability resulting from service" & $859 million for pensions in 1,046,000 cases of non-service-connected death or disability. An average of 114,500 patients (4% above 1955) was expected in veterans hospitals during fiscal 1956; it was estimated that more than ⅔ of expenditures would be for non-service-connected ailments.

***Miscellaneous.*** The budget provided funds for the President's health reinsurance program [see p. 11D2] and for "expansion of the research & training activities of the Natl. Institutes of Health, including special emphasis on mental health." Authority was requested for the Atomic Energy Comm. to build "a new medical research center containing a nuclear reactor designed specifically for medical research & therapy." . . . The President recommended extension of Small Business Admin. authority to lend to small businesses (current authority was scheduled to expire June 30, 1955). . . . The budget provided $103 million for the merchant ship program, but the President asked Congress to stop appropriating money for the 4 state maritime schools (in California, Maine, Massachusetts & New York) pending a study of "responsibilities for maritime training." . . . The President urged extension of authority to recruit Mexican farm labor, scheduled to expire Dec. 31, 1955.

## Budget Reforms Proposed

Measures to make the budget more informative & to help Congress in acting on it were recommended in a report made public by the Com. for Economic Development Jan. 15. Among the report's proposals: (1) greater use of the "program budget" to give a clearer picture of activities, their relative necessity & their cost; (2) creation of a Joint Congressional Budget Policy Conf. to coordinate Congressional decisions on expenditures & revenues; (3) Presidential authority to veto individual items in appropriations bills; (4) annual performance reports & periodic management audits of executive departments.

## Armed Reserve, Pay Proposals

Pres. Eisenhower urged Congress in separate messages Jan. 13 to: (1) extend the draft & approve his military reserve plan; (2) increase military pay, allowances & benefits [by about $942 million a year] to induce competent men to make the armed forces their permanent careers.

Under the President's proposals:

***Draft Extension.*** Authority to draft youths for 2 years' service, scheduled to end July 1, 1955, would continue to July 1, 1959. Authority to draft doctors & dentists, scheduled to expire July 1, 1955, would end July 1, 1957.

***Reserve Plan.*** There would be 2 reserve categories: (1) organized units "maintained in a high degree of readiness to meet immediate mobilization requirements"; (2) non-organized reservists "with prior service who would be called into military service by a selective process [if needed] in a general mobilization." For the next 4 years a limited number of 17-19-yr.-olds could volunteer for 6 months' basic training (at the reduced rate of $30 a month) followed by 9½ years' active reserve participation. "If an adequate number do not volunteer for this program, authority should be given" to draft more from among 18½-19-yr.-olds. Men enlisting in the Natl. Guard would get basic training in the active services. If there were too few Natl. Guard volunteers, men leaving the active forces could be assigned to the Guard for their "obligated period of reserve participation." The states would be authorized "to raise & maintain in time of peace organized militia forces which would take over the Natl. Guard's domestic missions and support defense activities upon its withdrawal." [See Vol. XIV, p. 423C-F3]

***Pay & Benefits.*** Adjustments would be selective, not "across-the-board," and would increase pay-allowance levels by about 6.7%. No increase would be made in the first 2 years for enlisted men or the first 3 for officers. Hazardous duty pay would be increased. Non-pay benefits would include (a) "a 'dislocation' allowance for military personnel with dependents who are ordered to a new permanent duty station"; (b) an increase from $9 to $12 in per diem allowances for temporary duty travel; (c) more housing for service families where present facilities are insufficient, reduced rents in substandard housing; (d) improved medical care for military families; (e) "equalization of survivor benefits according to rank for active & retired personnel." [See p. 11B2]

## Forms Job Anti-Bias Panel

Pres. Eisenhower Jan. 18 created a 5-man Com. on Govt. Employment Policy to prevent race, creed or color discrimination in federal employment. He simultaneously abolished the Civil Svc. Comm.'s Fair Employment Board and directed department & agency heads to establish specified fair employment procedures.

The new committee, which would report directly to the President: Chairman—Maxwell Abbell, Chicago lawyer; vice chairman—Archibald J. Carey Jr., Negro Chicago Alderman; both public members. Alternate public members—Philip Marfuggi of South Orange, N.J. & Mrs. Jane Warnock of Eagle Butte, S.D. Govt. members—W. Arthur McCoy of the Civil Svc. Comm., Asst. Labor Secy. J. Ernest Wilkins, a Negro, & Office of Defense Mobilization Gen. Counsel Chas. H. Kendall. [Vol. VIII, p. 244K]

### Military Training Costs

**Approximate costs per man for military training (according to the President's military pay message sent to Congress Jan. 13):**

**$3,200 for basic training.**

**$2,000-$5,000 more for "typical technical skills."**

**$120,000 for a jet pilot.**

## OTHER U.S. NEWS

## 2d Lattimore Charge Dismissed

Fed. Dist. Judge Luther W. Youngdahl in Washington Jan. 18 dismissed for a 2d time a "key" perjury indictment of Prof. Owen Lattimore.

The indictment charged Lattimore had lied when he told the Senate Internal Security Subcom. in 1952 that he never had been a "follower of the Communist line" or a "promoter of Communist interests." Youngdahl said there was no universally-accepted definition of these terms. He labeled the charges "so formless & obscure" as to "make a sham of the 6th Amendment* & the federal rule requiring specificity of charges."

The indictment had replaced "key" counts in an indictment which Youngdahl had thrown out last year on similar grounds. 5 counts remained: 2 lesser counts which the Court of Appeals had restored plus 3 which Youngdahl had not dismissed. But it was believed that successful prosecution depended on the "key," dismissed counts. [See Vol. XIV, p. 394D3]

## Senate Backs Red Probes

The Senate voted 84-0 Jan. 14 to continue investigating communism [see p. 13G2]. After the vote, Sen. Joseph R. McCarthy (R., Wis.) was ordered twice by Sen. Russell B. Long (D., La.), acting presiding officer, to take his seat for impugning the sincerity of Democratic Senators who sponsored & voted for the resolution. McCarthy charged some Democrats backed the resolution "to get some dirt off their hands" after their vote to condemn him Dec. 2. He said the Democratic Party was controlled by "the same group that was responsible for 20 years of Harry Dexter White." Some Democrats were patriotic, he conceded, but the "Truman-Acheson branch of the party certainly has coddled, covered up & nurtured treason." [See Vol. XIV, p. 407C1]

## McCarthy Charge Called Refuted

Chrmn. Olin D. Johnston (D., S.C.) of the Senate Civil Svc. Com said

*The 6th Amend. requires that an accused person be "informed of the nature & the cause of the accusation."

Jan. 16 that the Eisenhower Admin. had contradicted McCarthy's 1950 charges of communism in the State Dept. He said a State Dept. letter about 80 employes McCarthy accused had stated "that none of the employes have been found to be Communists or disloyal." Johnston said that according to the letter: 33 left the State Dept. before McCarthy made his charges, 7 never worked for the State Dept., 10 were transferred to other departments and 12 still were employed by the State Dept.

McCarthy accused Johnston Jan. 17 of a "misstatement of the facts."

The State Dept. Jan. 17 released its letter. It was signed by Asst. Secy. Thurston B. Morton and noted that the State Dept. was not required to prove that an employe was a Communist in order to dismiss him.

The letter disclosed: Johnston had asked about 2 separate groups—one of 10 employes, one of 80—accused by McCarthy. In the group of 10—2 never were employed by the State Dept., one was discharged under the State Secy.'s blanket authority, one was fired after a loyalty review board found "reasonable doubt" of his "loyalty," one was retired for failing to meet Forgn. Svc. "standards," 2 resigned, one transferred to another agency, 2 had their employment terminated after they completed their assignments. In the group of 80—7 never were employed by the State Dept., 2 were removed on security charges, one was ousted as unsuitable, 3 resigned during security proceedings, 32 resigned for other reasons, 10 transferred to other agencies, 4 had limited appointments terminated, 8 were separated for economy reasons, one retired, one died. (The remaining 11 presumably still worked for the State Dept.) [See Vol. XIV, p. 210A3]

### *Mrs. Moss Cleared for Army Job*

Defense Secy. Charles E. Wilson directed Jan. 19 that Mrs. Annie Lee Moss be restored to a "nonsensitive" Army job and reimbursed for wages lost during suspension. He said her record "does not support a conclusion that she is actually subversive or disloyal" but that there was "clear indication of certain [unspecified] derogatory information occurring prior to 1946." Mrs. Moss had been suspended twice after McCarthy said she had been identified as a Communist (by a witness who admitted never having seen her). [See Vol. XIV, p. 260F3]

(McCarthy asked the Army Jan. 13 to discharge Pfc. Marvin S. Belsky, drafted doctor who had invoked the 5th Amend. when questioned about communism. The Army replied almost immediately that "extensive investigation failed to support a determination that Belsky was disloyal or subversive." It said he would be retained until Feb. 4, when his 2-yr. draft period would end.) [See p. 13B3]

### *Atom Submarine Goes to Sea*

Atomic energy propelled a vehicle for the first time Jan. 17 when the atomic-powered submarine *Nautilus* left Groton, Conn. for sea trials—50 hours of operation but no submersion. Its commander said Jan. 18 that the vessel's performance was "perfect." [See Vol. XIV, p. 326G3]

●

**Racial** bias in jobs on Capital Transit Co. streetcars & buses in Washington was ended under an agreement announced Jan. 13 by the President's Com. on Govt. Contracts. Officials of the committee, company, Dist. of Columbia, White House & AFL streetcar union participated in talks leading to the agreement [see Vol. XIV, pp. 386A1, 163D-E2; XIII, 406C2, 357A3]. The committee Jan. 17 issued an instruction booklet to aid persons filing complaints of discrimination. [See Vol. XIV, p. 142A1]

**Tanker** *S. S. Tagalam* was seized by the Justice Dept. in Los Angeles Jan. 11 on grounds it was sold illegally (in Feb. 1951) by Grosvenor-Dale, Inc. to an allegedly alien-controlled firm, Seatrade Corp. of New York. It was the 43d vessel seized in a program to regain U. S.-flag ships owned or controlled by aliens in violation of shipping laws. The Govt., suing to have the *Tagalam* declared U. S. property, charged Seatrade was controlled by Greek aliens of the Kulukundis shipping group. The 42d vessel seized in the program was the liberty-type cargo ship *S. S. Shinnecock Bay*, which was taken over in Norfolk, Va. Jan. 7. The Govt. charged Veritas Steamship Co., Inc. of New York, which bought the vessel from the Maritime Comm. Mar. 16, 1951, was controlled by Kulukundis group aliens. [See Vol. XIV, p. 395E2; XIII, 432D2]

**Metropolitan N.Y.** bridge-&-highway program was announced Jan. 16 after a year-long study by the Port of N. Y. Authority & the Triborough Bridge & Tunnel Authority. It would cost $600 million (⅔ authority funds, ⅓ federal-state funds), take until 1960 to finish and meet needs of the next 20 years. Biggest single project would be a $220 million double-deck bridge across the Narrows from Brooklyn to Staten Island, potentially the world's largest suspension bridge. [See p. 13B1; Vol. XIV, 427A1]

**Dixon-Yates** financing plan was approved by SEC staff lawyers in a brief delivered Jan. 11. The lawyers recommended that the SEC uphold the Atomic Energy Comm. contract under which the private power group was to build a steam plant to supply TVA with power in exchange for TVA power delivered to AEC installations. [See Vol. XIV, p. 426C1] . . . **Ex-Pres. Herbert Hoover** urged Congress Jan. 5 to extend beyond the current Apr. 1 expiration date the President's reorganization powers. [See Vol. XIV, p. 349A3; XIII, 420F3] . . . **Food, Drug & Cosmetic Act** enforcement will be studied by a 14-member citizens committee appointed Jan. 16 by Health-Edctn.-Welfare Secy. Oveta Culp Hobby. Chairman: G. Cullen Thomas, Gen. Mills vice pres. . . . **Commodity Exchange Authority** administrator, effective Jan. 1: Rodger R. Kauffman, 56, former deputy administrator who succeeded J. M. Mehl (retired Dec. 31).

## FOREIGN

**Britain** reported Jan. 12 a record one-yr. export total of £2.674 billion ($7,487,200,000) in 1954, a gain of $257,600,000 over 1953. Imports totaled $9,741,000,000. British industrial production during the year was estimated to have increased 5%-6%. [See p. 5F3] . . . **Buganda's** state of emergency, in effect since the exile of King Mutesa II Nov. 30, 1953, was lifted Jan. 11 by Gov. Sir Andrew Cohen. [See Vol. XIV, p. 105F2] . . . **French** Natl. Assembly speaker elected Jan. 11: Pierre Schneiter, 49, Popular Republican & opponent of Premier Pierre Mendès-France. [See Vol. XIV, p. 429D2] . . . **Indian** Prime Min. Jawaharlal Nehru Jan. 10 turned over his Defense Ministry to Kailas Nath Katju. [See Vol. XIV, p. 374F3] . . . **Norwegian** Prime Min. Oscar Torp resigned Jan. 14 and was succeeded Jan. 15 by ex-Prime Min. Einar Gerhardsen (both Laborites). [See Vol. XIV, p. 391F3] . . . **West German** Govt. estimated Jan. 10 that East German migrants to the West totaled 12,000 a month and West German migrants to the East 6,000-7,000 a month. East-to-West total last year: 184,198. A drop in the rate of migrations from the East & increase in the total going there was attributed to relaxation of restrictions imposed after the June 1953 uprisings. [See p. 6D1]

## LATIN AMERICA

### *Costa Rica Gets Aid*

The U.S., acting on the recommendation of the Org. of American States Council, sold Costa Rica (reportedly for $1 each) 4 F-51 Mustang fighter planes Jan. 16 to use against rebel invaders. The planes were delivered from Kelly AF Base, Tex. to San José Jan. 17, and the U.S. also provided ammunition, spare parts and 2 pilots & 5 technicians to train Costa Ricans to fly & service them.

The OAS Council in Washington had voted in a pre-dawn meeting Jan. 16 to authorize the U.S. to supply the "minimum number" of warplanes Costa Rica needed for defense. An OAS investigating commission in Costa Rica had reported Jan. 15 that a "substantial part" of the rebel invaders' weapons had come from Nicaragua. The Council decided Jan. 16 to (a) invoke for the first time the Rio de Janeiro treaty's guarantee of assistance to a country victimized by aggression and (b) have its Costa Rican Observation Comm. station observers along the Costa Rican-Nicaraguan border to insure that no invaders or weapons entered Costa Rica.

Nicaragua accepted the OAS decision, and the Observation Comm. arrived in Managua Jan. 17. Pres. Anastasio Somoza said his Govt. had taken steps to insure Nicaragua's "nonintervention" in Costa Rica. He denounced as "lies" the charges by Costa Rican Pres. José Figueres that Somoza had aided the invaders. Somoza protested, however, that the 4 F-51s were more than Costa Rica's "minimum" requirement and said he would ask the U.S. to send Nicaragua 4 F-51s. He charged Jan. 19 that 2 of Costa Rica's F-51s had violated the Nicaraguan border. He warned the U.S. & OAS that they "must be responsible if Figueres attacks Nicaragua with planes they put in his hands." [See p. 14E1]

Somoza, Jan. 13 had offered the OAS one or 2 planes, for "pacific observation flights" over the Costa Rican battle area, or "any other facilities" in Nicaragua to help the OAS investigate the outbreak.

### Rebels Hold Northwest Area

The rebels, said to number about 800 men, held the extreme northwestern corner of Costa Rica in the area of Santa Rosa, La Cruz & Liberia but were reported in slow retreat toward the Nicaraguan border Jan. 19. They were reported to be under the command of Teodoro Picado Jr., 27, West Point-trained son of an exiled Costa Rican ex-President. Costa Rica was said to have mobilized about 1,000 men for a drive against the invaders. 2 AT-6 trainer planes used by the rebels for bombing & strafing were said to have been flown to Nicaragua & surrendered Jan. 17 after Costa Rica obtained the 4 F-51 Mustang fighters. [See pp. 13D3-14E1]

## *Panama Killing Solved*

The Panamanian Natl. Assembly ousted Pres. José Ramón Guizado, 55, from office Jan. 15 and ordered his arrest after lawyer Ruben Miro, 43, implicated him in the murder of his predecessor, José Antonio Remón. Miro confessed he had shot Remón Jan. 2 after plotting the murder since November with Guizado, the deposed President's son (José Ramón Guizado Jr.) & Miro's business partner, Rudolfo Saint Malo.

Miro said that he, St. Malo & Guizado all were deeply in debt and he was promised the post of Minister of Govt. & Justice if he shot Remón. Investigators said the case was solved after the arrest Jan. 13 of Cadet José Edgardo Tejado on information supplied by his girl friend. Tejado was said to have confessed that he supplied the murder weapon (a machine gun) to Miro in September after having taken part in the Guatemalan revolt in August.

2d Vice Pres. Ricardo Arias Espinosa, 42, was sworn in as President of Panama Jan. 15. He appointed Alejandro Remón, brother of the late President, as Govt. & Justice Minister. Dr. Octavio Fabrega was named Forgn. Minister. Espinosa said Jan. 16 he was "not convinced" of the extent of Guizado's guilt but would await results of an investigation begun Jan. 17 when the Natl. Assembly appointed a 5-man commission to study charges against Guizado. The Supreme Court refused Jan. 18 to try the case on grounds that only the Assembly had authority to judge the President. [See p. 14F1]

(Ex-Pres. Arnulfo Arias, who had been arrested as a suspect in Remón's murder Jan. 2, charged Jan. 18 after his release that he had been "inhumanely" treated while in prison.)

●

**Argentine** magazines resumed publication Jan. 13 after a 9-day union dispute had forced their suspension. [See p. 14B2] . . . **Brazilian** Pres. Joao Cafe Filho Jan. 15 opened Paulo Affonso hydro-electric dam on the São Francisco River near Salvador. The project was built by Govt.-owned Companhia Hidroelectrica do São Francisco for an estimated 1.8 billion cruzeiros ($24,480,000) to supply power for an 8-state area. [See p. 6F3] . . . **Cuban** Cabinet, acting with legislative powers when Congress was not in session, adopted Jan. 18 a law banning propagation & support of international communism by organizations & persons in Cuba. [See Vol. XIV, p. 366D2] . . . **Jamaican** Labor Party lost its 10-year control of the Govt. when the People's Natl. (Socialist Left) Party headed by Norman Washington Manley won 18 of 32 seats in House of Reps. in elections Jan. 12. Manley was to succeed William Alexander Bustamente as Jamaican Prime Minister. [See Vol. XIV, p. 96E1] . . . **Edmundo Noriega,** brother of exiled Peruvian War Min. Brig. Gen. Zenon Noriega, was allowed to leave Peru for Buenos Aires after being accused of plotting against the Govt., it was reported Jan. 16 in Lima. [See p. 14G2] . . . **Mrs. Janet Jagan,** British Guiana People's Progressive Party gen. secy., was released Jan. 18 after serving a 5-mo. prison sentence for holding prohibited political meetings. [See Vol. XIV, p. 366G2]

## LEADING RAW MATERIALS PRODUCERS

(N.Y. Times survey from figures furnished by UN Statistical Office. Russia, Eastern Europe & Red China not included because of absence of current data.)

Unit: 1,000 metric tons

| Nation | Period | 1954 | 1953 |
|---|---|---|---|
| **ALUMINUM** (primary smelter) | | | |
| U.S. | Jan.-Oct. | 1,099.8 | 939.8 |
| Canada | Jan.-Sept. | 385.0 | 365.0 |
| France | Jan.-Sept. | 95.8 | 84.5 |
| W.Ger. | Jan.-Sept. | 95.2 | 77.5 |
| **COAL*** | | | |
| U.S.† | Jan.-Oct. | 304,826 | 368,837 |
| Britain‡ | Jan.-Oct. | 187,728 | 186,446 |
| W. Ger. | Jan.-Sept. | 95,001 | 92,596 |
| France | Jan.-Sept. | 40,349 | 38,433 |
| Japan | Jan.-Sept. | 31,780 | 35,479 |
| **COPPER** (primary smelter) | | | |
| U.S. | Jan.-Oct. | 620.8 | 724.7 |
| N. Rhod. | Jan.-Sept. | 286.0 | 270.3 |
| Chile | Jan.-Aug. | 210.0 | 551.7 |
| Bel.Congo[1] | Jan.-Sept. | 166.2 | 138.4 |
| Canada | Jan.-Aug. | 145.5 | 150.2 |
| W. Ger. | Jan.-Sept. | 122.6 | 114.8 |
| **CRUDE PETROLEUM** | | | |
| U.S. | Jan.-Sept. | 234,737 | 241,114 |
| Venezuela | Jan.-Oct. | 82,896 | 77,242 |
| Kuwait | Jan.-Sept. | 34,608 | 31,754 |
| S. Arabia | Jan.-Oct. | 38,839 | 34,361 |
| Iraq | Jan.-Sept. | 21,919 | 20,569 |
| **IRON ORE** (metal content) | | | |
| U.S. | Jan.-Oct. | 36,597 | 55,422 |
| France | Jan.-Oct. | 12,615 | 12,370 |
| Sweden | Jan.-Sept. | 6,814 | 7,891 |
| Britain | Jan.-Sept. | 3,543 | 3,662 |
| W. Ger. | Jan.-Sept. | 2,120 | 2,503 |
| Canada | Jan.-Sept. | 2,344 | 2,429 |
| **LEAD** (primary smelter) | | | |
| U.S.§ | Jan.-Oct. | 415.9 | 392.5 |
| Mexico¶ | Jan.-Sept. | 159.6 | 167.8 |
| Australia | Jan.-Sept. | 183.3 | 143.0 |
| Canada | Jan.-Aug. | 94.9 | 100.6 |
| **PIG IRON** (incl. ferro-alloys) | | | |
| U.S. | Jan.-Oct. | 43,400 | 58,031 |
| W. Ger. | Jan.-Sept. | 8,960 | 9,030 |
| Britain | Jan.-Oct. | 9,948 | 9,306 |
| France | Jan.-Sept. | 6,404 | 6,722 |
| **STEEL** | | | |
| U.S. | Jan.-Oct. | 65,260 | 86,159 |
| Britain | Jan.-Oct. | 15,482 | 14,697 |
| W. Ger. | Jan.-Sept. | 12,567 | 11,686 |
| France | Jan.-Sept. | 7,661 | 7,846 |
| Japan | Jan.-Sept. | 5,812 | 5,609 |
| Belgium | Jan.-Oct. | 4,009 | 3,677 |
| **TIN CONCENTRATES** (metal content) | | | |
| Malaya | Jan.-Sept. | 45.78 | 42.08 |
| Bolivia[1] | Jan.-Sept. | 21.30 | 27.29 |
| Bel. Congo | Jan.-Oct. | 9.77 | 12.86 |
| Thailand | Jan.-Sept. | 7.16 | 7.60 |
| Nigeria | Jan.-Sept. | 5.92 | 6.17 |
| **ZINC** (primary smelter) | | | |
| U.S. | Jan.-Sept. | 537.6 | 630.7 |
| Canada | Jan.-Oct. | 156.3 | 185.8 |
| Belgium§ | Jan.-Sept. | 160.7 | 144.6 |
| W. Ger. | Jan.-Sept. | 124.5 | 108.4 |
| Australia | Jan.-Oct. | 88.7 | 74.1 |
| France | Jan.-Oct. | 92.0 | 65.6 |
| Japan§ | Jan.-Oct. | 84.5 | 65.3 |

*Excluding lignite †Including some lignite ‡Excluding Northern Ireland §Including some secondary ¶Lead content of ores [1]Exports

## 1954 FORGN. EXCHANGE RATES

(Cable transfer rates: sterling in dollars, other currencies in cents; Italian lire in hundreds of lire per dollar)

| | High | Low | Final |
|---|---|---|---|
| Argentina (peso) | 7.25 | 7.25 | 7.25 |
| Austral. (£) | 2.25⅝ | 2.22⅞ | 2.23 |
| Belgium (franc) | 2.00⅞ | 1.98½ | 1.99⅝ |
| Brazil (cruzeiro) (free) | 2.10 | 1.33 | 1.35 |
| Canada ($) | 103.812 | 101.296 | 103.531 |
| Denmark (krone) | 14.52 | 14.52 | 14.52 |
| France (franc) | 0.28⅝ | 0.28⅝ | 0.28⅝ |
| Gr. Brit. (£) | 2.82 1/32 | 2.78 15/32 | 2.78½ |
| Holland (guilder) | 26.45 | 26.27 | 26.41 |
| Hong Kong ($) | 17.65 | 17.40 | 17.45 |
| India (rupee) | 21.17 | 20.91 | 20.93 |
| Italy (lire) | 624.97 | 624.70 | 624.90 |
| Mexico (peso) | 8.00 | 8.00 | 8.00 |
| New Zeal'd (£) | 2.81⅜ | 2.77⅞ | 2.77 31/32 |
| Norway (krone) | 14.03 | 14.03 | 14.03 |
| Pakistan (rupee) | 30.48 | 30.15 | 30.15 |
| Peru (sol) | 5.28 | 4.50 | 5.28 |
| Portugal (escudo) | 3.50 | 3.50 | 3.50 |
| S. Africa (£) | 2.82⅜ | 2.78⅞ | 2.78 31/32 |
| Sweden (krona) | 19.37 | 19.36 | 19.36 |
| Switzerland (franc) | 24.34½ | 23.30½ | 23.34¼ |
| Uruguay (peso) | 33.50 | 29.50 | 31.40 |
| Venezuela (bolivar) | 30.05 | 30.05 | 30.05 |
| W. Germ. (DM Lib.) | 23.55 | 17.90 | 23.07 |

## 1954 AUTO OUTPUT

(Automotive News estimates unless otherwise indicated)

| | |
|---|---|
| Passenger cars (U. S.) | 5,508,075 |
| Trucks (U. S.) | 1,024,166 |
| (Canadian car & truck output | 350,251) |

| | | | |
|---|---|---|---|
| Gen. Motors* | 3,432,277 | Ford Motor* | 1,990,021 |
| Buick* | 531,463 | Ford* | 1,697,468 |
| Cadillac* | 123,746 | Lincoln* | 35,733 |
| Chevrolet* | 1,414,365 | Mercury* | 256,730 |
| Oldsmobile* | 433,810 | Hudson | 31,341 |
| Pontiac* | 370,887 | Kaiser | 5,803 |
| Chrysler Corp. | 723,676 | Nash | 63,574 |
| Chrysler | 102,023 | Packard | 27,610 |
| De Soto | 69,543 | Studebaker | 84,856 |
| Dodge | 152,164 | Willys | 11,281 |
| Plymouth | 399,946 | (All totals: cars & trucks) | |

* Producers' reports; for U. S. & Canada; GM figure included 2,996,858 cars, 435,419 trucks; Ford figure included 1,394,762 Ford cars, 302,796 Ford trucks.

## CHURCH & SCHOOL

**Protestant unification** plan drafted by the 9-denomination Conf. on Church Union was made public Jan. 13 in Cincinnati. It proposed a United Church of Christ with an episcopacy to ordain ministers & act as "administrative superintendent" to the Presbyteries. The Presbyteries in turn would be one step above local congregations that could choose either the congregational, episcopal or presbyterian classification. [See p. 15C2] . . . **Southern Presbyterians** voted Jan. 18 against merging their Presbyterian Church of the U.S. with the northern Presbyterian Church of the U.S.A. & the United Presbyterian Church of North America. Opponents to the merger said the 2½ million-member northern group was tainted with "modernism" & would engulf the smaller southern group. [See Vol. XIV, p. 271C3]

**Fund for the Republic** (Ford Foundtn.-supported agency headed by Robert M. Hutchins) announced Jan. 13 it had allocated $250,000 for a study by 12 experts of the U.S. Communist Party & Communist influence on all phases of American life, including government, labor, religion & mass media. The study group was headed by Clinton Rossiter of Cornell U. Other members: Daniel Bell of *Fortune* magazine; political analyist Moshe Decter, Earl Latham of Amherst Coll., Daniel Aaron of Smith Coll., David A. Shannon of Teachers Coll. (Columbia U.), Ralph A. Roy of Union Theological Seminary, Paul A. Carter of Columbia U., John P. Roche of Haverford Coll., Donald Fleming of Brown U., Robert Iverson of Drake U., Donald D. Egbert of Princeton U. [See Vol. XIV, p. 425E2]

**Gen. Motors Corp.** disclosed Jan. 18 a new scholarship plan for students & financial aid to private colleges & universities which when fully operative in its 4th year would cost an estimated $4.5 million a year. . . . **Women's** admission to Harvard Divinity School beginning next fall was announced Jan. 18. They were to take regular graduate courses in theology to prepare them for teaching religion.

## OBITUARIES

**Hubert Cecil Booth,** 83, inventor of vacuum cleaner; Jan. 14 in Croydon, Eng.

**Allesandro Brizi,** 76, ex-Italian Agriculture Min., farm expert; Jan. 16 in Rome.

**Johnny Buff** (Lesky), 66, world bantamweight boxing champion 1921-22; Jan. 14 in East Orange, N.J.

**Gen. John Kenneth Cannon,** 62, USAF comdr. in Europe 1948 during Berlin airlift, Tactical Air Command head 1951-54; Jan. 12 in Arcadia, Calif.

**William H. (Bill) Dinneen,** 78, ex-Boston Red Sox pitcher, ex-Amer. League umpire; Jan. 13 in Syracuse, N.Y.

**August S. Duesenberg,** 75, builder of luxury & racing autos in 1920s & '30s; Jan. 18 in Indianapolis.

**Mrs. James A. Farley (Elizabeth Finnegan),** 60, wife of ex-Postmaster Gen.; Jan. 14 in New York of heart attack.

**Mrs. Anne Crawford Flexner,** 80, playwright-dramatist (*Mrs. Wiggs of the Cabbage Patch, Marriage Game*), wife of Dr. Abraham Flexner, ex-dir. of Inst. for Advanced Studies (Princeton); Jan. 11 in Providence, R.I.

**Emil Gaugin,** 81, retired construction engineer, only surviving son of French painter Paul Gaugin; Jan. 19 in Englewood, Fla.

**Prof. Henri Gougerot,** 73, French skin specialist, a leader of VD-prevention drives; Jan. 15 in Paris.

**Capt. Jane Herveux,** 65, French pioneer aviatrix, reputedly first woman to make solo flight (1909); Jan. 15 in London.

**Col. H. Nelson Jackson,** 82, ex-banker, newspaper publisher who made first trans-U.S. auto tour (San Fran.-N.Y., 1903); Jan. 14 in Burlington, Vt.

**William M. Jardine,** 76, U.S. Agri. Secy. 1925-29, ex-pres. Kansas St. Coll. & U. of Wichita; Jan. 17 in San Antonio, Tex.

**W. Paul Jones,** 53, pres. Servel, Inc. 1949-54; Jan. 20 in Evansville, Ind.

**Fanny Heaslip Lea,** 70, magazine fiction writer; Jan. 13 in New York.

**Mrs. Charmian Kittridge London,** 84, writer, widow of novelist Jack London; Jan. 13, Glen Ellen, Calif.

**James H. (Shooey) Malone,** 67, internationally known detective, ex-Phila. Director of Public Safety; Jan. 12 in Atlantic City, N.J.

**Magnus Satre,** 50, 6-time U.S. jumping & cross-country skiing champion; Jan. 14 in Salisbury, Conn.

**Dr. Richard A. Sheppard,** 64, osteopath, father of convicted wife-murderer Dr. Samuel H. Sheppard; Jan. 18 in Bay View, O. of respiratory ailment. [See p. 15G3]

**Thad Snow,** 73, farmer-author known as "Philosopher of Swampeast Missouri"; Jan. 15 in Cairo, Ill.

**Arthur A. Stoughton,** 87, architect, designer of Soldiers & Sailors Meml. Monument in N.Y.; Jan. 13 in Mount Vernon, N.Y. of auto accident injuries.

**Jonkheer Rene de Marees van Swinderen,** 94, Netherlands diplomat 1886-1937, Forgn. Affairs Min. 1908-13; death in London reported Jan. 17.

**James G. Thimmes,** 60, CIO & United Steelworkers of Amer. vice-pres.; Jan. 16 in Los Angeles.

**Pierre Tissier,** 52, pres. of French natl. rwys. (Société Nationale des Chemins de Fer); Jan. 19 in Paris of pneumonia.

**J. Brandon Walsh,** 72, creator of comic strip *Little Annie Rooney,* songwriter; Jan. 13 in New York.

## SPORTS

### Winners

**Auto racing:** Juan Manuel Fangio of Argentina, driving a Mercedes Benz, won the Argentine Grand Prix in Buenos Aires Jan. 16. . . . **Basketball:** East defeated West, 100-91, in the NBA All-Star game in New York Jan. 18. . . . **Bobsledding:** Fairchild McCarthy of Cambridge, Mass. won the Macklin Cup one-man race at St. Moritz, Switz. Jan. 12; Josef Le Bouef, 21, of Baton Rouge, La. & William Williams, 21, of Rockingham, N.C., USAF men, won the European junior title at St. Moritz Jan. 16. . . . **Boxing:** Sugar Ray Robinson lost a unanimous decision to middlew't Ralph (Tiger) Jones, 26, of Yonkers, N.Y. in Chicago Jan. 20. [See p. 8B2] . . . **Contract bridge:** Britain defeated the U.S. in the world championship match in New York ending Jan. 16. . . . **Football:** West defeated East, 26-19, in the NFL Pro Bowl all-star game in Los Angeles Jan 16. [See Vol. XIV, p. 435E3] . . . **Golf:** $15,000 Bing Crosby pro-amateur tourney in Pebble Beach, Calif. ending Jan. 16—Cary Middlecoff won pro division for $2,500; pro Byron Nelson & Ed Lowery of San Francisco won pro-amateur division ($1,500 to Nelson) [see p. 16C1]. The $3,500 Sea Island (Ga.) women's open was won Jan. 16 by Mrs. Jackie Pung of Honolulu. . . . **Horse racing:** $41,500 Tropical H'cap in Coral Gables, Fla. Jan. 15 was won by W. Ellis Johnson's Scimitar, Joe Culmone up, for $28,750.

●

**Baseball** stars signed for 1955: Jackie Robinson, to be 36 Jan. 31, Brooklyn infielder-outfielder, for about $40,000 Jan. 13 [see Vol. XIV, p. 40G1]; Bob Feller, 36, Cleveland pitcher 16 past seasons, for $30,000-$35,000 Jan. 14. [See Vol. XIII, p. 48F] . . . **Conrado Marrero,** former star Cuban pitcher listed as 39 and estimated to be in late 40s, was released by Washington Jan. 15. . . . **Texas Supreme Court** upheld Jan. 19 (by refusing to review) a lower court's decision that a state law against boxing bouts between Negro & white boxers could not be banned and did not violate the U.S. Constitution. [See Vol. XIII, p. 43F] . . . **World speed skating record** of one min. 22.8 sec. for 1,000 meters was set in Alma Ata Jan. 12 by Evgen Grishin of Russia, Tass news agency reported. [See p. 16F1]

## MISCELLANEOUS

***European Storms & Floods.*** The British aircraft carrier *Glory* was sent to northwest Scotland Jan. 18 to deliver relief supplies by plane to 55,000 persons marooned in the Highlands by blizzards. The Rhine, Marne & Yonne Rivers were at flood stage Jan. 18 in western Germany & northeastern France. [See p. 16A2] . . . 167 passengers were rescued Jan. 18 from the Greek ship *Corinthia* off Civitavecchia, Italy after it had struck a reef during a storm. The Italian *Sicilia* maneuvered near the Greek ship to calm the waters so that the passengers could be stransferred to a tugboat, then to the *Sicilia.*

***Plane Crashes.*** A U. S. Navy Super Constellation with 13 persons aboard was lost at sea off Stephenville, Nfld. Jan. 17. . . . James B. Verdin, 36, Douglas test pilot, fell to his death Jan. 13 after bailing out of an A4D Skyhawk jet bomber over the Mojave Desert near Barstow, Calif. [See Vol. XIII. p. 333D2] . . . Robert H. Saunders, 51, Ontario Hydroelectric Power Comm. chrmn., ex-Toronto Mayor & leader in the campaign for the St. Lawrence seaway & power project, died Jan. 16 in Toronto of injuries received in the crash of a private plane Jan. 15 near London, Ont.

●

**Married:** Actor Gilbert Roland, 49, & Guillermina Cantu, 29, of Mexico City; marriage Dec. 12 in Yuma, Ariz. disclosed Jan. 17 (his 2d). . . . Sylvia Ashley Fairbanks Stanley Gable, 44, & Prince Dimitri Djordjadze, 55, hotel exec.; Dec. 9 in Ft. Lee, N. J. (her 5th, his 3d). [See Vol. XII, 132P]

**Birthday:** Dr. Albert Schweitzer was 80 Jan. 14. [See Vol. XIV, p. 370F3]